

Message Text

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P 252108Z SEP 73

FM SECSTATE WASHDC

TO AMEMBASSY BUCHAREST PRIORITY

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E.O. 11652: N/A

TAGS: BDIS, RO

SUBJ: TRADE COMPLAINT: ERIE FOUNDRY

REF: BUCHAREST 3367

1. CONVERSATIONS WITH ERIE PRESIDENT JAMES CURRIE REVEALED THAT COMPANY WILL NOT CHANGE ITS POSITION AT THIS TIME, OR AGREE TO SEND REP TO BUCHAREST TO AMICABLY RESOLVE DIFFERENCES. COMPANY NO LONGER WORKING ON ORDER. CABLE TO THIS EFFECT SENT BY CURRIE TO MASINEXPORT ON SEPTEMBER 21.

2. COMPANY'S POSITION BASED ON ORAL STATEMENTS REPORTEDLY MADE BY MAXINEXPORT'S DIMA AND RADIUC TO ERIE SALES MANAGER MYTINGER AT APRIL 13 SIGNING. MYTINGER, WHO WAS RELUCTANT TO SIGN, FINALLY DID SO AFTER MASINEXPORT ASSURED HIM THAT THE CONTRACT WOULD NOT BE BINDING UNTIL AFTER IT WAS APPROVED BY THE HOME OFFICE. CURRIE SUBSEQUENTLY VETOED THE CONTRACT AND SO INFORMED THE ROMANIANS. CURRIE VIEWS THE SUBSEQUENT

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CONTRACT NEGOTIATIONS AND MODIFICATIONS AS AN ATTEMPT

TO REACH A FINAL AGREEMENT ACCEPTABLE TO BOTH SIDES.
CURRIE DOES NOT VIEW THE APRIL 13 AGREEMENT OR ITS MODIFICATIONS
AS A LEGALLY DOCUMENT, AND IS PREPARED TO GO TO
ARBITRATION IF NECESSARY.

3. CURRIE STRONGLY BELIEVES THAT MASINEXPORT EAGER TO PURCHASE
THE PRESSES, AND THAT MASINEXPORT RECOGNISES THAT EVEN AT \$2.5
MILLION THEY ARE GETTING BARGIN. HE SEES MASINEXPORT COMPLAINT AS
EFFORT BY AN "EMBARRASSED" DIMA TO JUSTIFY TO ROMANIAN AUTHORITIES
THE ADDITIONAL \$100 THOUSAND EXPENSES FOR THE PRESSES. BY MAINTAINING
HARD LINE, CURRIE BELIEVES MASINEXPORT WILL BACK DOWN, AND THAT
ERIE WILL OBTAIN CONTRACT AT MINIMAL ADDITIONAL EXPENSE TO
COMPANY.

4. COMMENT: EFFORTS TO CONVINCE CURRIE TO PERSONALLY VISIT
MASINEXPORT TO REVOLVE FINAL DIFFERENCES, OR THAT APRIL 13 CONTRACT
MAY BE LEGAL DOCUMENT, WERE UNSUCCESSFUL. APPEARS CURRIE STRONGLY
CONVINCED THAT GOT WILL PURCHASE ERIE PRESSES, AND THAT MAXINEXPORT
APPROACH TO EMBASSY WAS JUST ANOTHER ROMANIAN NEGOTIATING TACTIC.
HE APPEARED ANGRY REGARDING NEGOTIATING TACTICS MYTINGER WAS
SUBJECTED TO.

5. ACTION REQUESTED: IN VIEW OF ABOVE, SUGGEST LOW KEY EMBASSY
RESPONSE TO ANY FUTURE MASINEXPORT APPROACHES BY NOTING THAT THE
USG HAD RAISED THEIR COMPLAINT WITH ERIE, BUT THAT ITS
RESOLUTION MUST BE DECIDED BETWEEN THE CONCERNED PARTIES.
EMBASSY MAY WISH DRAW ON SUBSTANCE PARAGRAPH TWO IN
DESCRIBING POSITION TO MASINEXPORT. RUSH

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